Pretty broad topic!
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- (WP on SSRN.)
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• New wave of interest in inequality corrects important malpractice by trade economists.
Trade vs. tech.: An artificial distinction?
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- Dinopoulous and Segerstrom (1999); Neary (2003).
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Trade vs. tech.: An artificial distinction?

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- iPhone/Foxconn?
Focus on trade. Useful distinctions:
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- Within group inequality vs. between group.
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- Within group inequality vs. between group.
- Trade in goods vs. trade in tasks.
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- Within group inequality vs. between group.
- Trade in goods vs. trade in tasks.
  - Trade in tasks: extensive margin vs. intensive.
Focus on trade. Useful distinctions:

- Within group inequality vs. between group.
- Trade in goods vs. trade in tasks.
  - Trade in tasks: extensive margin vs. intensive.
- Trade with high-wage countries vs. low-wage.
Between-group inequality.
Between-group inequality.

- Education level.
Between-group inequality.

- Education level.
- Industry/occupation.
Between-group inequality.

- Education level.
- Industry/occupation.
- Location.
Between-group inequality.

- Education level.
- Industry/occupation.
- Location.
- Age.
Between-group inequality.

- Education level.
- Industry/occupation.
- Location.
- Age.
- Gender, race.
Between-group inequality.

- Education level.
- Industry/occupation.
- Location.
- Age.
- Gender, race.
- Tends to be most important with dissimilar countries.
Between-group inequality.

- Education level. *(well-researched.)*
- Industry/occupation. *(well-researched.)*
- Location. *(well-researched.)*
- Age.
- Gender, race.
- *Tends to be most important with dissimilar countries.*
Within-group.

• E.g., Bertrand (2004): Invisible handshake.

Trade in tasks vs. trade in goods.

• A lot of the income inequality effects come from offshoring (don’t say “outsourcing”).

• E.g., ship parts to Mexico for assembly.

• Harder to measure than goods trade.
Intensive vs. extensive margin.

• Expanding existing offshoring vs. starting from zero.

• E.g., Boehm, Flaaen, and Pandalai-Nayar (2015).
Figure 2: Employment Growth Differential of Multinational Transitions

Source: LFTTD-DCA-UBP as explained in text.
This figure plots the pre and post annual deviations in the employment growth rate of establishments that transition into part of a multinational firm in year \((t = 0)\), relative to a control group based on interacted effects of firm age, establishment size, and industry (in year \(t = -1\)). The control group consists of establishments that are not part of a multinational firm in year \(t = 0\). See equation 2. The shaded area corresponds to a 95 percent confidence interval.
Figure 3: Importing Differentials of Multinational Transitions

Source: LFTTD-DCA-UBP as explained in text.
This figure reports the related-party and arms-length intermediate input imports of the parent firm of an establishment that transitions into part of a multinational firm in year \( t = 0 \), relative to a control group based on interacted effects of firm age, establishment size, and industry (in year \( t = -1 \)). See equation 2, modified to reflect firm-level imports as dependent variables. The shaded area corresponds to a 95 percent confidence interval.
Low-wage vs. high-wage country partner.

Three examples: I.

- Blue-collar workers in routine occupations in industries that offshore to low-wage countries.
Three examples: II.

- Autor, Dorn and Hanson (2013).
- Workers in local labor markets with high shares of import-competing industries; geographic inequality.
Three examples: III.

High-school dropouts.
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High-school dropouts.

Dimmit, Lasalle, and other border counties.
High-school dropouts.

Amarillo and surroundings.